STANDARD FORM NO. 64
Approved For Release 2001/03/02 : CIA-RDP75-00662R000200150061-0

Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, D/A DATE: 21 August 1951

FROM : Chief, A/E

SUBJECT: Responsibilities, Workload and Personnel of the Export Control Support Branch

1. Responsibilities and Workload

The Export Control Support Branch is responsible for the production of intelligence regarding control of exports to the Soviet bloc and for intelligence support to the various interdepartmental committees in this field. In addition, the Branch advises all interested components of CIA in matters involving export controls and transmits to the appropriate officials in other agencies spot intelligence regarding attempts to evade export controls.

The formal production includes intelligence memoranda and other reports on (a) the vulnerability of the USSR and its satellites to denial of exports from non-Communist areas, (b) the strategic importance to the Soviet bloc of particular items on the U.S. and International lists, and (c) the effect of controls over exports to unfriendly areas. The larger part of the intelligence contribution which CIA makes to the Government agencies responsible for the exercise of controls is presented to the appropriate officials on an informal day-to-day basis and through membership on the interdepartmental committees cited below.

Advisory Committee on Export Policy and the Operating Committee. These committees advise the Secretary of Commerce in the determination of the U.S. export control policies and programs. Occasionally CIA submits a formal intelligence report or document directly to the committees, or through a cooperating agency, but the support work consists primarily in careful review and analysis of the intelligence aspects of the export policies, regulations and procedures recommended in committee documents presented by member agencies. Analysts in the Export Control Support Branch develop from the specialists in ORR and OSI intelligence regarding the specific matter under consideration and present the information orally at the biweekly meetings of the Operating Committee. The CIA analyses relate primarily to (a) the strategic uses of the item, (b) evaluation of Soviet requirements, production and/or procurement of the particular item under consideration, and (c) the likelihood that the U.S. shipments may eventually reach or benefit the Soviet bloc. In a typical week the OC considers recommendations as to (a) the U.S. current quarter export quotas for at least six commodities that are in short supply, (b) revision of the strategic rating, or change in the definition of three or more major

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items under control, (c) addition of several items to the U.S. export control lists, and (d) the export control policy or regulations applicable to a particular country or area. Questions not resolved by the OC are referred to the ACEP, which meets once or twice a month.

To be retained in Economic Warfare Branch

R-Procedure Subcommittee. This interdepartmental committee recommends appropriate action on export license applications that are referred to it by the Office of International Trade, Department of Commerce. The committee customarily reviews and takes action on 15 to 20 cases per week which involve the security interests of the U.S. Intelligence support is needed in (a) evaluating the end-uses as stated in the license applications, (b) identifying unsatisfactory consignees in foreign countries, (c) appraising the risk of transshipment of the strategic items to the Soviet bloc, and (d) reviewing licensing practices and procedures in regard to particular areas or commodities. The CIA representative on the subcommittee submits both basic and "spot" intelligence as to the commodities and parties involved in individual transactions. The Economic Warfare Branch presently is representing CIA on the R-Procedure Subcommittee, but it is contemplated that this work will be transferred to the Export Control Support Branch as soon as the latter has sufficient personnel.

Interdepartmental support to U.S. delegations to international conferences on export control. The Export Control Support Branch, in cooperation with OIR, Department of State, prepares memoranda on the strategic importance of items presented at Tripartite Conferences, and reviews the Tripartite documents prior to their submission to the Coordinating Committee (COCOM) in Paris. Upon conclusions of the negotiations, the Branch personnel assist in evaluating the results of the conferences.

Special Committee on East-West Trade of the National Security Council. This Committee is reviewing the trade of all countries with the Soviet bloc and at the present time is preparing recommendations to the NSC as to determinations under the Kem amendment. The CIA representative participates regularly in the Committee review of the draft reports, but with limited personnel it has not been practicable until recently for A/E to send a representative to the Drafting Subcommittee which presently is meeting twice a week. The work of the drafting group requires advanced preparation in a wide range of topics and the evaluation of the draft reports frequently requires detailed analysis and documentation of intelligence bearing upon the question at issue--for example, the analysis of shipments of Chilean copper to the Soviet bloc.

Interdepartmental Working Group on Economic Problems of the UN Collective Measures Committee. The Economic Analysis Division, in collaboration with the State Department, submitted a paper on "Intelligence Support for Collective Economic Measures Against an

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Aggressor," and has participated from the intelligence viewpoint in the preparation of a number of papers for the use of the U.S. representative to the UN CMC. In addition, D/A prepared comments on the replies made by 34 nations in response to the UN resolution on the embargo of strategic materials to Communist China.

Ad Hoc Working Groups. In addition to the foregoing, the Export Control Support Branch participates in the work of various ad hoc inter-agency working groups requiring economic intelligence support. 25X1A

2. Personnel of the Export Control Support Branch

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3. Personnel Required and Proposed Assignments.

The responsibility of the Export Control Support Branch cannot be met within the limits of the existing T/O of the Branch. The projects required call for research and analysis of data from other components of CIA, other Government agencies, and from external sources. The support required for consideration of the proposed export of automotive parts to Denmark for re-shipment to Poland in exchange for coal is a case in point. This problem requires economic analysis and estimates as to the contribution of automotive parts to Poland's military potential, probability of embargo of Polish coal, availability of alternative sources, availability of shipping, economic consequences of cessation of Danish-Polish trade, and a comparison of the cost of the cessation of trade with the cost of the increased production in the West necessary to maintain the West's industrial and economic superiority if the trade with the East is not discontinued. This requires data from D/I (CG), D/M (S), D/S (TR and TF), consultation with D/Z, and probably information from OIT (Commerce), Interior, Maritime Commission, ECA, State, and others. The competence required of the CIA analysts is in economic

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research and analysis, with particular reference to international trade. The same analyst or analysts who may work on this problem this month may be working next month on another project involving analysis of other commodities, other areas, and other issues. In making assignments of projects, consideration will be given to analyst's familiarity with the areas or commodities involved, but this is secondary to competence in research and analysis and familiarity with the national and international export control mechanisms.

Attached is a recommended T/O based on urgent needs as reflected in the current workload. In addition to a Branch Chief and an Assistant Branch Chief, it is proposed to assign one senior and one intermediate or junior analyst to each of the continuing responsibilities: (a) the work of the NSC Special Committee on East-West Trade, (b) the work of the Advisory Committee on Export Policy and the Operating Committee, (c) the work of the R-Procedure Subcommittee, (d) the maintenance of the U.S. and international export control lists and regulations, and (e) the technical analyses required for export control intelligence support. Three senior and three junior analysts would be assigned to special projects. This would

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